

Internal Revenue Service
memorandum

date: JAN 18 1991

Art Mowad, Case Manager
to Houston District

Irwin A. Leib
from: Deputy Assistant Chief Counsel
Income Tax & Accounting, National Office

subject: [REDACTED] Request for Modification to Extension Letter

This memorandum confirms your discussion yesterday, January 17, with George Wright from this office, with respect to [REDACTED]'s request for modification to the letter issued by your office on [REDACTED]. To summarize, the following was discussed:

1. We are in agreement with your tentative conclusion to deny [REDACTED]'s request for modification of the [REDACTED] letter. Although we recommended that the extension period be extended for one year ([REDACTED]), we believe that your letter is correct as issued with respect to the reference to "replacement property." We do not believe it is necessary to affirm in writing the position taken in the [REDACTED] letter. The issue is clearly sensitive and, in our opinion, it would be more prudent to avoid issuing any memoranda to the taxpayer.

2. On the other hand, we understand that the taxpayer may press for a written confirmation of your response to their request. Therefore, we recommend that if you believe we are obligated to issue a formal response to their request, any written correspondence should be kept to a bare minimum. In order to avoid any potential compromise of the Government's position, we believe that any written response should be comprised of little more than a general reference to [REDACTED]'s request and a brief statement that we are unable to agree to the recommended modification.

Please understand that we view ourselves in an advisory capacity and that our recommendations are based on a belief that some degree of caution should be exercised because of the size of the transaction and the sensitivity of the issue. However, the ultimate decision rests with your office and we are not about to second guess your decision.

Irwin A. Leib

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